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Ref: EPR-ER

July 27, 2001

Mr. Alan Stringer, Representative  
W.R. Grace & Company  
President, KDC  
317 Mineral Ave.  
Libby, Montana 59923

Subject: Completion of Clean-up at Export Plant

Mr. Stringer,

There remain several issues regarding the work that W.R. Grace & Company (Grace) is conducting at the former Export Plant pursuant to the Unilateral Administrative Order, Docket No. CERCLA-8-2000-10 (the "UAO") which must be addressed in order to complete the work necessary at the Export Plant. These include: 1) The development of a final restoration plan for the property; 2) the demolition of the buildings at the Export Plant; 3) the excavation of soil and vermiculite processing wastes contaminated with amphibole asbestos still remaining in and around the buildings; and 4) the excavation of soil and vermiculite processing wastes contaminated with amphibole asbestos located on the western edge of the Export Plant, possibly spilling over to the private parcels abutting this side of the Export Plant; and 5) final disposition of soil and debris from the Export Plant disposed of by Grace at the former vermiculite mine. These issues are addressed further below.

**1) Final Restoration Plan** To date, Grace has not developed proper restoration plans for the former Export Plant. Section VI, paragraph 3.0, Item 7 clearly states the need to restore the former Export Plant property, and reestablish the tenant's business to the property. The schedule attached to the UAO originally required that the restoration plans be developed and submitted to EPA with seven weeks of the final modification of the Work Plan submitted by Grace. In an attempt by EPA to help facilitate the development of a restoration plan that is satisfactory to all of the parties involved with the Export Plant, Grace has been given several extensions to this deadline. Nonetheless Grace has consistently refused to work in a cooperative manner with EPA, the City of Libby, and their tenant, Millwork West. Despite Grace's apparent reluctance to participate in a cooperative fashion, EPA will continue to work with the other impacted parties at the Export Plant to develop a reasonable restoration plan for the property. It should be clear to you that compliance with the UAO requires Grace to perform proper restoration, and EPA fully expects Grace to fulfill this responsibility. If Grace does not intend to comply with the UAO



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then EPA will take over the work directly.

**2) Building Demolition** It had been the desire of EPA to resolve the final disposition of the buildings at the Export Plant in conjunction with the development of an appropriate final restoration plan. Given the discussion above this is clearly not possible in a timely manner. To help expedite the final completion of the project, and for the sake of public health, the EPA will now move forward with this issue separately. For over two months there has been much public discussion about the condition of the buildings. Grace has been previously forwarded data indicating that amphibole asbestos contamination remains in and around all of the buildings at the Export Plant, despite Grace's attempt to clean them. In addition, Grace representatives have been shown that vermiculite processing wastes and other materials contaminated with amphibole asbestos remain visible within the buildings, and along the building foundations at the surface. Given the time and effort expended during the first attempt to decontaminate the buildings, and looking at the damage the decontamination efforts inflicted on the buildings, it is clear to the EPA that the practical and effective decontamination of the buildings is simply not feasible. Pursuant to Section VI, paragraph 3.0, Item 4 of the UAO, Grace is directed to demolish all of the buildings at the Export Plant. This should be done starting with the buildings on the eastern portion of the Export Plant moving westward, with the Planer Building done last. All of this work should be done by properly trained personnel, wearing respiratory protection and proper personal protective equipment. Both perimeter and personal air sampling and monitoring shall be conducted during all operations. Grace should submit appropriately amended work plans to cover this activity within ten (10) days, and not start work until EPA has approved or modified the amended work plans. As I have discussed in previous correspondence, if Grace wishes to continue using the former vermiculite mine as a disposal location, all transportation and disposal activities must be coordinated with EPA's activities at the mine. Also, all Grace personnel and contractors entering the Rainy Creek Road corridor, and/or traveling to the mine for any purpose must comply with EPA's Health and Safety Plan for this area. Grace should indicate its intentions to comply with this direction to either me, Duc Nguyen, or Matthew Cohn within five (5) days of receipt of this letter.

**3) Excavation in and Around the Buildings** Visible vermiculite processing wastes and/or soil contaminated with amphibole asbestos remain around the footings/foundations of all the buildings at the Export Plant. Upon the completion of the demolition of a particular building as required above, the contaminated soil and vermiculite wastes shall be removed from around and under the former building footprint in a manner consistent with Grace's work plan dated July 28, 2000 (see page 2-18). If Grace intends to haul this material back to the former vermiculite mine then there is no need to submit any amendment to the work plan for this activity. If Grace intends to ship this material to a new disposal location, then Grace shall submit an amendment to the plan within ten (10) days of receipt of this letter, and not start work until EPA has approved or modified the work plan amendment. Grace shall notify either me, Duc Nguyen, or Matthew Cohn of its intent to comply with this direction within five (5) days of receipt of this letter.

**4) Excavation Along Western Portion of the Export Plant** During an inspection of the Export Plant Property this past spring EPA discovered what appeared to be vermiculite processing wastes in the somewhat wooded area along the western edge of the Export Plant, spilling over to the properties that abut the Export Plant. Grace representatives were shown this area, and subsequent sampling indicated that amphibole asbestos concentrations ranged up to 35% by PLM. It also appeared that the area also contained "stoner rock," which historically has been found to contain much higher levels of amphibole asbestos. Pursuant to Section VI, Paragraph 3.0, Item 4, and Section XVI of the UAO, within ten (10) days of receipt of this letter Grace shall submit an amended work plan which covers the removal of the amphibole asbestos from this area. Grace shall notify either me, Duc Nguyen, or Matthew Cohn of its intent to comply with this direction within five (5) days of receipt of this letter.

**5) Final Disposition of Soil and Debris Disposed of by Grace at the Mine** Currently, Grace has staged the amphibole asbestos contaminated soil and vermiculite processing wastes in a stockpile near the "Glory Hole" at the former vermiculite mine. This stockpile is in neither the location or condition indicated by Grace in Appendix J to its current Site Work Plan, nor is it being maintained in a fashion consistent with Section 2.1.13 Task 13 of Grace's July 28, 2000 work plan. To date it has been represented to EPA by you and other Grace representatives that Grace is awaiting approval from the Montana Department of Environmental Quality (MDEQ) for the final placement of this soil as part of Kootenai Development Company's mine restoration permit. To date, EPA has waited for this process to run its course. However, officials from MDEQ actively reviewed and commented on the work plans submitted by Grace for the Export Plant, including the Section 2.1.13, Task 13-Transportation to and Disposal at Mine Site, as well as Appendix J-the Disposal Site Restoration Plan. In this context the MDEQ did in fact approve of the final disposal location designated by Grace. In addition, as stated in 40 CFR 300.400(e) "no federal, state, or local permits are required for on-site response actions conducted pursuant to CERCLA sections 104, 106, 120, 121, or 122." Given these two facts, EPA believes it is reasonable to expect and require that final disposition of the soil occur this construction season. If Grace and/or KDC have not resolved whatever issues it may or may not have with the MDEQ over the final placement of this soil, so as to allow for compliance with the State and EPA approved work plan for the Export Plant by September 30, 2001, then EPA will take over and complete this activity beginning on October 1, 2001.

If you have any questions regarding the above matters, please contact me either in Libby at (406) 293-6194, or at my office in Denver, at (303) 312-6808.

Sincerely,



Paul R. Peronard  
On Scene Coordinator  
Libby Asbestos Site

cc: Matthew Cohn, EPA  
Duc Nguyen, EPA  
Jim Freeman, DOJ  
Mary Capdeville, MDEQ  
Jan Sensibaugh, MDEQ  
Scott Spencer, Counsel for City of Libby  
Libby City Council  
Mel and Judy Burnett, Millwork West